THE CDBG-R SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Saint Paul, MN CDBG-R Contact Person: Ron Ross

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ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Jurisdiction Web Address:

www.stpaul.gov/recovery

• (URL where CDBG-R Substantial

Amendment materials are posted)

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD's recovery website at http://www.hud.gov/recovery.

B. CDBG-R Information by Activity (Complete for each activity)

(1) <u>Activity Name</u>: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

(2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.
- (3) <u>Jobs Created:</u> (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).
- (4) <u>Additional Activity Information:</u> (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)
- (5) <u>Responsible Organization</u>: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Activity #1. Expanded Youth Employment Program, \$266,000: This activity will increase the number of youth offered summer employment in Saint Paul, and also extend the summer employment program to a year round employment program, called First Place. The First Place program is designed for youth who are interested in career exploration with a focus on the private sector. Qualified candidates for this program will have the opportunity to work in a variety of industries, such as law, banking, healthcare. government, education, and retail. Establishing business collaborations and developing employment opportunities will be the primary focus of the First Place program. This program will provide additional employment opportunities to the youth in Saint Paul throughout the calendar year, beyond the summer months. These funds will preserve and create jobs by employing youth to address affordable staffing issues for local employers. Economic recovery will be promoted by the increase in household income. These funds will assists those most impacted by the recession because the employment program targets youth from low income households and will offer them year round employment opportunities. It is estimated that this activity will create employment for approximately

40 youth and also allow the establishment of a year round employment program. Some of the youth workers hired will work to improve the appearance and safety of the blighted infrastructure of the alleys behind commercial properties on University Avenue. The Green Alleys Project will complete neighborhood cleanups this summer. Because this project is plugging into the existing Youth Job Corps program operated by the Parks Department, and existing supervisory contracts, it will be organized, conducted, and completed this summer. The Green Alley Project will create 32 temporary jobs for young people, as many of whom as possible will be recruited from the Central Corridor in order to remove transportation barriers and in order to invest them in improving their neighborhoods. The alleys between the commercial and residential properties in the Central Corridor are a key part of the transportation infrastructure that supports the merchants on University Avenue, most of which serve low and moderate income customers in the immediate CDBG-eligible trade area. Their current blighted appearance and inefficient configuration results in underutilized commercial parking resources and degraded residential and commercial property values. This is one component of an integrated City strategy using other funds to repave up to 10 alleys in the Central Corridor, improve off-street parking resources, and to encourage residential property owners across the alley to improve the safety and appearance of their properties. This Project is intended to prevent massive commercial displacement from the construction of light rail in University Avenue starting next year, and from the elimination of 85% of the on-street parking when light rail is completed. The Project is also intended to help buffer the residential properties from the more intensive commercial use of the alley once LRT eliminates the on-street parking. The development of Light Rail Transit is a key smart growth strategy, especially if it can be done in such a way that it doesn't displace existing merchants that serve the low and moderate residents in the surrounding neighbors or degrading the low-and moderate residential neighborhood across the alley from the commercial properties. The Youth Job Corps program, run by the Saint Paul Department of Parks and Recreation, has operated this program for a number of years, primarily supervised by department staff at parks all over the City. They have considerable experience providing youth their first positive work experience. Another benefit to operating the Green Alleys Project in the Central Corridor is that it makes it easier for neighborhood youth to participate in the YJC program and to get to work on foot or by public transportation. Two (2) temporary supervisors will be hired to supervise the work crews and thirty-two (32) temporary youth workers will be hired for the two work crews.

Responsible Organization: Saint Paul Parks & Recreation, Gwen Peterson, 651-266-6430

Activity #2. ISP Neighborhood Clean-up, \$57,000: The Invest Saint Paul (ISP) neighborhoods, which are the most disinvested, depressed, and economically challenged areas of the City, will undertake clean-up activities identified as part of their neighborhood engagement process. These neighborhoods are all CBDG eligible areas of the City, and the activities to be funded include physical improvements to parks, alley security lighting, neighborhood clean-ups, community gardening and improvements to area parks. There are eight ISP areas in the City. The City will contract with the identified neighborhoods to undertake eligible activities, and it is expected that the funds

will be expended quickly. Very few jobs will be created, but the purchase of goods and services will help some small companies preserve jobs.

The neighborhoods being served are the areas in Saint Paul that are the most impacted by the 4000 vacant and foreclosed structures in the city. The activities will engage the area residents in maintaining their neighborhoods by improving small projects that have significance for their neighborhoods. The neighborhood clean-up, gardening and park improvements are intended to assist in protecting the neighborhood environment and public infrastructure. The clean-up and park improvements are intended to assist the City by having neighborhood involvement in maintaining public areas, which reduces public cost. The neighborhood clean-up, gardening and park improvements are intended to assist in protecting the neighborhood environment, and promote the reduction of pollution by use of planting materials.

Responsible Organization: Saint Paul Planning & Economic Development (PED), Tom Sanchez 651-266-6617

Activity #3. Strategic Building Demolition & Securing, \$300,000: This activity will fund the strategic demolition or securing of certain severely dilapidated, vacant, one and/or two family housing structures concentrated in Invest Saint Paul areas of the City. which are a threat to public health and safety. This program is unlike any other demolition program in the country because it is part of a rigorous, comprehensive, strategic code enforcement effort designed to make property owners either bring their properties up to code or sell them to someone who is willing to invest the funds necessary to bring the property into full code compliance, based on a detailed code compliance inspection by master journeypersons covering all the major components of the property: structural, electrical, mechanical, plumbing and fire safety. The program is rigorous because it requires a comprehensive initial inspection, and follow up permit inspections for at least four separate construction permits, all of which are thoroughly inspected by qualified master journeypersons from each of the construction trades. The Program is comprehensive because it meets all of the standards and requirements of the City's Property Maintenance Code, Chapter 34 of the Saint Paul Legislative Code. The program is strategic because the properties listed for abatement, and potential demolition, are identified by the local neighborhood District Councils and the properties are geographically grouped close together to maximize the redevelopment potential of the resulting vacant lots. The result of this rigorous, comprehensive, and strategic approach has produced more rehabilitation of sub standard structures in the City of Saint Paul than the City has seen in 35 years. The majority of properties identified for code compliance are sold and rehabilitated; only a small number are actually demolished. However, it is the threat of demolition that has produced significant rehabilitation. Data indicates that an average of 40 properties a month are being rehabilitated to code and reoccupied and 8 to 10 are being demolished. In addition another 90 vacant properties are being sold and reoccupied that do not require substantial rehabilitation as a result of the code enforcement process. The program has been so successful, that the City has been able to stabilize and begin to reduce the number of registered vacant properties in the City over the last 10 months, even while mortgage foreclosures continue to increase.

The City has also begun and plans to expand our efforts to utilize a more labor intensive deconstruction process for demolitions designed to maximize the reuse of recyclable construction materials. The recycling of materials reduces energy use and reduces dependence on landfills. This evolving process will employ more people than is typically the case in residential demolitions, and the department will strive to employ as many people as possible from the immediate neighborhood in the deconstruction process. 20 or more structures will be deconstructed and cleared, or secured. The funding for this activity can be used as soon as the City receives approval, and all the funds can be expended within 90 to 120 days.

The construction generated or stimulated by the demolition activity is approximately 80 full time construction jobs. The 20 demolitions will create approximately 70 temporary jobs.

The deconstruction demolition process and recycling of construction materials provides long term benefits to the City by reducing our dependence on landfills for construction debris and reduces energy consumption for the production of new materials.

Responsible Organization: Saint Paul Dept. of Safety & Inspections (DSI), Bob Kessler, 651-266-9013

Activity #4. Energy Efficiency Homeowner Rehabilitation, \$350,000: This activity will be part of a comprehensive energy rehab program which will complement programs by the City Home Loan Fund, Neighborhood Energy Consortium, Community Development Consortiums, and Community Action Program (CAP) to promote weatherization for all homeowners in Saint Paul.

We intend to establish a pool of rehabilitation and weatherization funds that will be available through existing programs, on a first come first served basis, in order to allow all the partners to carry out projects quickly. These remodeling efforts will employ frontline construction workers on an estimated 30 properties, and create approximately 120 construction jobs.

This activity will reduce the cost of energy bills for the homeowners, and stabilize energy bills helps to stabilize household budgets. Saint Paul has an older housing stock. Investing in our housing infrastructure will make our housing more attractive, more energy efficient, and more competitive in the metropolitan housing market. Reducing our carbon footprint, house by house, will also help promote our energy independence.

This funding will be used to complement Energy Efficiency Community Block Grant and CAP weatherization dollars, as well as lead paint dollar. This will provide a more comprehensive remodeling approach to each residence.

Responsible Organization: Saint Paul PED, Amy Filice, 651-266-6568

Activity #5. Hydroponics Urban Farm, 500,000: This activity will assist a company with the costs of super energy efficient greenhouses, land, equipment, a packing facility and energy related systems. The project will be receiving construction bids and have

private financing approved this summer. Construction will begin later this year and all phases will be completed by early 2011. This project will preserve the existing jobs at the company which total in excess of 200, and is projected to create an additional 40 to 50 jobs with this phase of the project, and more in future phases. Approximately 35 construction jobs are also expected during this phase. The project is located in a low income census track and over 70% of their employment comes from the surrounding neighborhood. Existing jobs pay a living wage and the new jobs are expected to follow this same pattern. The company has completed an employment profile with the City of St. Paul's Human Rights Department and shows employment of minorities to exceed 65%.

The company is a major produce distributor in the Twin City Metro area, and by growing, distributing, and consuming the produce locally a very efficient sustainable, green economic system will be developed. The environment will benefit from this project by greatly reducing the transportation costs and the fossil fuels needed to transport the produce. Produce is currently transported thousands of miles to get to the Twin Cities. By growing a local produce crop in a closed sustainable environmental system the crop will be safer in the light of recent contamination scares, and not subject to volatile fossil fuel cost. This project will greatly reduce the transportation cost and thus fossil fuel costs used in transporting lettuce, tomatoes, peppers and strawberries thousands of miles. The project will foster locally grown, locally distributed and locally consumed produce. The geography of food is very important to sustainable produce production. The produce will also require half of the water and a fraction of the chemicals that traditional farming requires. The fertilizer use will also be cut by more than 50%. This project will conserve energy by not shipping produce thousands of miles and using countless gallons of fossil fuels. The locally produced, distributed and consumed model is energy efficient. The greenhouse will use renewable and co-generated energy to achieve as close to a closed system possible. The greenhouse will use cutting edge technology for super energy efficient greenhouses producing produce for the 21st century. The project is also consistent with smart growth by locating the urban farm close to workers and consumers. A majority of the company's workers walk, bus or bike to work, and this is projected to continue.

Responsible Organization: Saint Paul PED, Dave Gontarek, 651-266-6674

Activity #6. North End Teen Center, \$300,000: Teens in Saint Paul's North End area have limited options for activities after school. This project will renovate an old building located at 1021 Marion Street, previously used for a combination of pre-school learning spaces and offices. With no option for after-school programming for teens in this area, the North End Teen Center is a high priority. No other Recovery Act funding will be used for the construction of this project, but there will be youth hired to work at the site that may be supported by some CDBG Recovery Act funding. It is expected that the renovation of this site will begin quickly, and the Teen Center would re-open for youth in the early part of September, 2009.

The North End Teen Center will both preserve and create jobs. It will enable Parks and Recreation to retain 3 Recreation Leaders, and also lead to the hiring of 10 youth to work in conjunction with Parks staff to effectively manage the site. Retaining employees and hiring youth improves the ability of those most affected by the recession (lower wage earners and young people helping support families) to make ends meets and rely less on other community resources. Additionally, up to 15 construction workers will be employed for the length of the project. This will include roofers, asphalt workers, carpenters, plumbers, painters and electricians. The North End Teen Center project is definitely an investment in the physical infrastructure of the Parks Department which yields long-term benefits in and of itself, but the greater investment by far, is in the young people in this part of our community. They have been involved in focus groups around the possibility of such a project, and will be involved in the design of the site and will ultimately help manage the activities and programs that take place there. This investment in young people as social capital is as important as the investment in the physical infrastructure.

The site for the North End Teen Center is currently a facility that is partially under ground level. We feel that there is significant opportunity, with a new roof and other modifications, to conserve energy during operation of the building. Additionally, interior remodeling will include low VOC paint and carpet materials, and kitchen remodeling will create a more functional teaching kitchen. New restroom facilities will have water saving/energy efficient fixtures and lighting, and fiber optic cable will be installed for enhanced communications and internet capability. Providing this facility for area youth negates the requirement for them to travel throughout the City looking for other programs. The Parks and Recreation Department will also have the opportunity with this facility to provide classes and activities for the youth that help promote conservation, green technology, and involve them in creating a sustainable community.

Responsible Organization: Saint Paul Parks & Recreation, Don Ganje, 651-266-6425

Activity #7. W. 7th Library Expansion, \$67,258: This activity will help the Saint Paul Public Libraries to address the goal of providing resources to the community to improve the competence and confidence of job-seekers and workers by funding a small expansion of the West Seventh Library (located at 265 Oneida Street) to create space for a flexible, shared computer lab. This reprogramming of current space and addition of an adjoining room allows the Library to partner with the co-located Community Center to offer classes and computer access to a community that is severely impacted by the recession. This activity will focus on the needs of job-seekers by providing software, information, resources and referral to help promote economic recovery. The Library has similar models at other branch libraries, and this new partnership will expand access in the City. The Library has been approved by the Gates Foundation to apply for funding for up to eight additional public computers at this location, increasing the capacity to ten.

The West Seventh Library is unique in the system because it is staffed by one paid FTE and supplemented by up to fifteen community volunteers, many of whom have committed hours every week to help keep the doors open. It is expected that this activity will get underway quickly, and completed in 4 to 6 weeks. The reprogramming of the

Library space and expansion into the adjoining room is anticipated to employ individuals from 4 trade groups for approximately 4 to 6 weeks. Libraries will contract with other organizations to offer classes and workshops as part of our joint programming. More significantly, the new space will focus on providing education and resources for jobseekers of all ages by contracting with partner organizations to offer classes in resume building, networking, computer literacy, and continuing education. Software and hardware that will enhance workforce development in this community and Saint Paul as a whole will be purchased and supported. The West Seventh neighborhood is economically challenged and these resources will target the community with significant opportunities for education and computer access. The Library is the information hub of the City and provides access information in many formats. Reprogramming the Library space and creating this partnership with the Community Center will increase our ability to serve our essential function. The project will also use recycled and "green" building materials whenever possible.

Responsible Organization: Saint Paul Public Libraries, Debbie Willms, 651-266-7085

Activity #8. iCel/Energy Harvest, \$100,000: This activity will assist iCel Systems Energy Lab - Saint Paul ("iCel St. Paul") to build out space for the assembly of iCel lithium-ion electric storage devices. These storage devices are integrated energy management systems that can dramatically reduce the cost of electricity for users large and small. The iCel St. Paul facility will produce and install the devices on a regional scale. iCel St. Paul has leased space and is in the process of organizing their construction build-out. They will be able to apply these funds toward this construction activity very soon after the funding is available. This project will create jobs that will be available to low-moderate income people, and to construction workers (primarily electricians) currently affected by the current recession. The iCel Systems' product is designed to more efficiently utilize energy production through load-shifting, thereby improving our energy producing capabilities. iCel St. Paul estimates that they will create 25 permanent full-time equivalent jobs in its first year of operation. The build-out of the iCel St. Paul assembly facility will also create approximately 6 construction jobs. The creation of iCel St. Paul will make available to the Midwest region a revolutionary energy management system that both promotes energy conservation and the reduction of pollution emissions through advanced electrical load-shifting technology and energy storage capabilities. These devices will ultimately allow the more efficient utilization of existing power production facilities and new alternative sources such as wind and solar power.

Responsible Organization: Saint Paul PED, Ellen Muller, 651-266-6605

Activity #9. Administration, \$215,584: Funding for the administration, planning, and reporting costs associated with the CDBG-R funding.

Responsible Organization: Saint Paul PED, Bob Hammer, 651-266-6693

C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

Response: On May 21, 2009 the Substantial Amendment for CDBG-R will be posted on the City's website at www.stpaul.gov/recovery, and a public notice published in the St. Paul Pioneer Press. Public comments will be accepted for a 7 day period. Any public comments received will be taken into consideration prior to the submittal of this amendment to HUD.

This section will be completed after the close of the public comment period.